

GLOBALIZATION IMPACT OF TOTAL QUALITY MANAGEMENT (TQM) STRATEGY IN THE INDIAN BANKING SECTOR

Jaydeep Shah, Mandvi

INTRODUCTION

In the 21st century the role of Globalisation play a vital role in all spheres of the world, especially in the banking sector. Considering this, an attempt is made how to succeed in the Globalisation of banking process and the possible measures to overcome the hurdles. To practice one of the modern management concepts of TQM, a successful strategy can be applied in the banking activities so as to meet the Globalisation challenges. Here the study will bring out some feasible approaches based on the above concept.

FOCUS ON TQM

The Total Quality Management philosophy with organisational culture was correct perception of the basic purpose of TQM - Development of banking employee. The development of individuals functioning in an organization is a prerequisite for attainment of a healthy growth rate in the bank. This is especially true in service industries such as banking where all most all the basic operations involved direct interaction of employees with the customers of the bank. The growth in the business in such organization is the function of the level of customer satisfaction. It also encompasses several qualities displayed by the employees during the course of their initialization with the customers such as a positive attitude, honesty & purpose, a friendly countenance and an ability to inspire confidence among employees. This is also insured internalizing of the concept of the employees, who are quick to correct participation of TQM activities with their own growth.

ATQM STRATEGY

The TQM strategy reviewed in the four aspects The TQM strategy explains below is more applicable to the service industries especially to the banking sectors.

Liberalization and globalization of the banking sector has created an era of fierce competition, as a result of which service management and quality performance is expected to assume an increasing important role in these industries. Banks can become stronger and effective only if they come out with better customer service, quality, costs, and innovation. Today, customers have a wide choice of service providers and they would opt for only the best service providers in terms of quality, reliability, and profitability and who are at par with international standards.

Therefore, the quality of service plays a dominant role and is a primary factor in ensuring the survival of the service provider in the global market. The whole focus is now concentrated

on providing services to customer beyond his expectations. This concept is applicable to all service industries and has given birth to the concept of TQM in service sector. The popularity of TQM in manufacturing sector has encouraged a number of organizations to view its benefits and effect on organization performance. Several research papers have investigated the framework of successful TQM implementation. The service quality of banks, especially perceived service, plays an important role in high-involvement industries like banks. Leading academicians and researchers strongly believe that providing quality service to customers is not only the most important and effective factor for customer satisfaction but also the essential criterion that measures the competitiveness of a service organization like banks. For survival, it is mandatory to provide best service quality and it is also viewed as pre-requisite to success of banking sector. Many studies have proved that the performance of banks is significantly and positively linked with the service quality. And to achieve service quality in the banking sector, the TQM is highly essential.

1. Continuous Improvement:

The TQM espouses a philosophy of continuous improvement in all areas of an organization. This philosophy ties in closely with the Quality Measurement & Universal Quality Responsibility. This TQM concept focuses on finding shortfalls in administrative, manufacturing and service outcomes. It eliminates the process of deficiencies and prevents future defects, in the banking operation.

2. Customer Focus:

Lee Iacocca once advertised that Chrysler had only three rules i.e. satisfy the customers, satisfy the customers, and satisfy the customers. TQM philosophy sum up fully on customer focus. It also supported by a number of TQM technologies to assure the customer needs and expectations are understood as met. This includes Quality measurement, Quality function deployment and Quality satisfaction. Studying close to the entire customer and placing the customer desires above all is a basic TQM perception.

3. Prevention:

TQM Management philosophy seeks to prevent poor quality in products and services rather than simply to detect and sort out defects. If a single characteristic is most strongly attached to the TQM philosophy, it is prevention rather than deduction. Some of the technologies were created nearly exclusively to support the concept of prevention. So this may include statistical process control, continuous improvement, and problem solving and system failure analysis.

4. Universal Responsibility:

Another basic TQM perception is that responsibility for quality is not restricted to an organization's Quality assurance department but is instead a guiding philosophy, shared by everyone, in an organization. TQM means this thinking is reversed and everyone takes responsibility for quality.

Thus the strategy of universal responsibility is an assurance for organization, that everyone is responsible for the quality of the output.

Role of TQM Program in Bank Management:

The approach to the top management for initiating the TQM should be centered on spreading the "awareness" rather than selling the idea. This can be accomplished in bank practice by

- (1) Arranging TQM convention in every branch of bank.
- (2) Deputing TQM members to various places of country for presentations.
- (3) Conveying appreciation of the top management work of the Bank for work done by the TQM.
- (4) Ensuring implementation of TQM projects in every branch. Considering TQM at middle level, it must be on the line of providing encouragement and recognition by the top level managers. They have to ensure that the members are adequately trained and provided with necessary facilities. The role of low level manager is the problem solving process by interlinking top level and middle level managers on the whole, the role of first level managers has been a positive one and no conflict with other functions.

This section reviews the implementation of TQM in banks. Use of TQM in the banking is not too old, earlier studies shows that TQM approach in the banking is a recent trend and is showing better performance after its implementation. TQM, which is about total customer service and continuous customer satisfaction, is applicable to almost all service industries including banks where the customer is treated as king. In fact, customers in service industries, especially in the banking, are rather more sensitive to quality and delivery of service than their manufacturing counterpart as they are in direct contact with the service providers. Therefore, adoption of TQM program in the banking sector may be one of the best alternatives that care about improved service quality and higher customer satisfaction together with retaining its customers. A paper published in *Total Quality Management Journal* examines six case studies and concludes with key factors that led to successful TQM implementation in the Turkish banking sector. The results showed that successful TQM implementation requires: management's unwavering commitment to TQM and enthusiasm; formal national bodies to introduce organizations to TQM and provide assistance during and after TQM implementation; and a highly educated and competent management team.

A paper published in 2003 proposes a model linking perceived service quality, customer satisfaction, customer loyalty and employee satisfaction while implementing TQM amongst Australian and Korean banking industries. The study further tested the developed model by using several measure and found significant relationships and path links between perceived service quality, customer satisfaction, and customer loyalty as well as between TQM practices and employee satisfaction.

A paper published in *Managing Service Quality* discusses the importance of training and education for TQM in banks of South Africa. Management commitment and managers understanding of TQM principles and methods was also found to be critical. Results further showed that none of the organizations possess a well-developed TQM training strategy and plan. A paper published in 2007 examines the critical success factors of TQM implementation in the UAE banking sector. 16 factors were found to be critical to TQM implementation success. The factors are: top-management support; strategy; continuous improvement; benchmarking; customer focus; quality department; quality system; human resource management; recognition and reward; problem analysis; quality service technologies; service design; employees; services capes; service culture; and social responsibility.

THE INDIAN EXPERIENCE

The State Bank of India was in the Indian Banking Industries to implement the TQM concept successfully. Its experiences with the TQM over the last 19 years have been rich and rewarding. The movement was initiated in a manner, befitting basic philosophy underlying the TQM. Considering the paramount importance of voluntary participation by the employees of the bank no return instruction was issued. The methodology adopted was gradual dissemination of the concept through organization of awareness seminars for senior executive of the bank. The officers attending the seminars were expected to talk to the employees of the bank about the concept and in case the idea appeal to them to facilitate the formation of TQM. The stress was therefore on creation of awareness and no efforts were made for persuading the employees of the bank to form Total Quality Management. This chain reaction resulting in formation of more quality management groups at other branches of the bank.

RECOMMENDATIONS

From the above studies the following some of the TQM techniques are to be applied to the banking industries.

1. Employee empowerment
2. Quality Measurement
3. Training
4. Value improvement
5. Bench marking
6. Route Cause for corrective action.
7. Sustained management commitment
8. Supplier teaming
9. Thinking statistically
10. Team Work
11. Employee Involvement.

CONCLUSION

As a modern approach of TQM should be practiced in the banking industries lead a successful path to overcome the globalization challenges as well as their continuous growth progress in their day-to-day operation by fulfilling the cent percent customers' satisfaction.

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